(b) Two Computer Systems RS/6000, with intelligent terminals, have been installed in the new Computer Centre, Bombay.

(c) and (d) The objectives of new computer system are to improve the efficiency and effectiveness of tax administration, broaden tax base and ensure better enforcement of tax laws as well as to provide management with reliable data. The estimated cost of setting the regional computer centre at Bombay would be about Rs. 13 crores out of total project cost for three regional centres at Delhi, Bombay and Madras estimated at Rs. 36 crores.

(e) and (f) Comprehensive computerisation has been introduced in other regional centres at Delhi and Madras as well. The regional computer centres have been designed to be linked with each other and to a National Computer Centre.

Lending rates of IFCI

2243. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India has hiked its lending rates;

(b) if so, the details thereof with objectives;

(c) whether such increase will effect the growth of industrieal activity in the country;

(d) if so, the details thereof with remedial steps to be taken in this regard; and

(e) if not, the steps to be taken to increase the industrial growth of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) the Industrial Finance Corporation of India Limited (IFCI) has reported that it has hiked its prime lending rate by one percentage point from 13.5% to 14.5% (exclusive of interest tax) with effect from 20.02.1995. The change is in line with the rise in the cost of deposits and lending rates of commercial banks and other all India financial institutions.

(c) No, Sir.

(d) and (e) Do not arise.

Entry of Foreign Insurance Companies

2244. SHRI CHIMANBHAI MEHTA:
SHRI ANANTRAY DEVSHANKER DAVE:

Will the Minister of FINANCE be pleased to state:

(a) what is the advantage of entry of Foreign Insurance Companies in Indian Insurance Sector;

(b) why insurance employees and trade unions are opposed to entry of foreign insurance companies in India;

(c) what is the capital base of Indian Insurance Companies and their annual turnover and net profits;

(d) what is the profits of Indian Insurance Companies on their capital base turnover:

(e) whether large inflow of foreign capital would occur in industry and economy in general due to entry of foreign insurance companies; and

(f) why foreign insurance companies be permitted in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MUTHY): (a), (e) and (f) the Government has not yet taken a final view on the recommendations of the Malhotra Committee, including proposals for opening up insurance for foreign private participation and detailed modalities for the same.

(b) The General Insurance Corporation of Indis (GIC) have reported that they had gathered from the representations received by them that the employees feel that the existing set up of general insurance industry is adequate to meet the insurance needs of the country; and apprehend that their service conditions and job security might be adversely affected by the advent of foreign insurance companies into India.

(c) and (d) The requisite information is in the enclosed statement.